

State of Alaska  
ALASKA RETIREMENT MANAGEMENT BOARD  
Relating to the Asset Smoothing in the Actuarial Valuations  
For the  
Public Employees' and Teachers' Retirement Systems

Resolution 2015-07

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

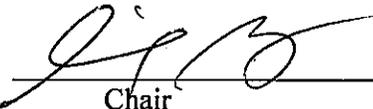
WHEREAS, AS 37.10.220(a)(8) requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios, and to certify to the appropriate budgetary authority of each employer in the system an appropriate contribution rate for normal costs and an appropriate contribution rate for liquidating any past service liability determined by a level percent of pay method based on amortization of the past service liability for a closed term of 25 years;

WHEREAS, AS 39.35.255 establishes a statutory employer contribution rate of 22.00 percent and AS 39.35.280 requires additional state contribution to make up the difference between 22.00 percent and the actuarially determined contribution rate; and

WHEREAS, the Board desires to follow actuarial best practice to incorporate asset value smoothing of investment gains and losses in order to reduce rate volatility;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the actuary perform the June 30, 2014 actuarial valuations for the Public Employees' Retirement System and the Teachers' Retirement System using market value, and from that point forward adopt five-year smoothing with phase-in methodology.

DATED at Fairbanks, Alaska this 24<sup>th</sup> day of September, 2015.

  
Chair

ATTEST:

  
Secretary